



[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

March 22, 2023

Japan Display Inc. (Tokyo Stock Exchange Prime Market, 6740)

Representative: Scott Callon, Chairman & CEO

Inquiries: Akihito Okochi, CFO

Telephone: +81-3-6732-8100

www.j-display.com/english

Completion of Payment for and Issuance of New Shares (Debt Equity Swap) and Warrants, Capital Reduction, and Change in Major Shareholder

As announced in "Capital Injection to Dramatically Strengthen Financial Position & Accelerate METAGROWTH 2026 Growth Strategy" on February 10, 2023, Japan Display Inc. (JDI) decided to do a debt equity swap and issue to Ichigo Trust ("Ichigo") new JDI common shares and warrants by way of a third-party allotment. Today Ichigo completed the payment and received the new shares and warrants.

Along with the new share issuance, today JDI reduced its capital (the "Capital Reduction").

In addition, there was a change in major shareholder because of the new share issuance.

Taking full advantage of INCJ's and Ichigo's strong support, in addition to dramatically strengthening its financial position JDI will work to accelerate its METAGROWTH 2026 growth strategy and deliver Global No. 1 technology leadership, unique customer value through JDI proprietary technologies, and robust, ongoing profitability.

I. Overview of the Debt Equity Swap

1. Issuance Overview

(i) New Shares

(1) Payment Date	March 22, 2023
(2) Number of New Shares Issued	1,926,222,222 shares
(3) Issue Price	JPY 45
(4) Total Issue Amount	JPY 86,680,000,000 via debt equity swap
(5) Claims Subject of the Debt Equity Swap	<p>A total of JPY 86,680,000,000 JDI loan receivables held by Ichigo. Amount of the receivables exchanged in the swap is equal to the face value of the receivables, and the breakdown is as follows.</p> <p>(a) Short-term Ichigo loan of JPY 20,000,000,000 based on February 10, 2023 Short-Term Loan Agreement</p> <ul style="list-style-type: none"> - Principal: JPY 20,000,000,000 (original principal: JPY 20,000,000,000) - Interest rate: TIBOR plus spread (fixed rate) - Collateralized: No - Payment method: Bullet repayment at maturity <p>(b) Short-term Ichigo loan of JPY 28,000,000,000 based on</p>

	<p>December 22, 2022 Short-Term Loan Agreement</p> <ul style="list-style-type: none"> - Principal: JPY 28,000,000,000 (original principal: JPY 28,000,000,000) - Interest rate: TIBOR plus spread (fixed rate) - Collateralized: Yes - Payment method: Bullet repayment at maturity <p>(c) Ichigo loan of 38,680,000,000 based on January 31, 2020 Amended and Restated Senior Facility Agreement</p> <ul style="list-style-type: none"> - Original lender: INCJ, Ltd. - Principal: JPY 38,680,000,000 (original principal: JPY 50,000,000,000) - Interest rate: TIBOR plus spread (revised every six months) - Collateralized: Yes - Payment method: Bullet repayment at maturity
(6) Allotment Method	Third-party allotment to Ichigo

(ii) Warrants (The 13th Stock Acquisition Rights)

(1) Allotment Date	March 22, 2023
(2) Number of Warrants Issued	100
(3) Issuance Amount	Total: JPY 199,884,100 (JPY 1,998,841 per warrant)
(4) Total Underlying Shares	3,852,444,400 common shares (38,524,444 shares per warrant)
(5) Funds to be Procured	<p>Net proceeds: JPY 172,559,882,100</p> <p>Breakdown:</p> <ul style="list-style-type: none"> - Amount raised through warrant issuance: JPY 199,884,100 - Amount raised through warrant exercise: JPY 173,359,998,000 - Less estimated issuance cost: JPY 1,000,000,000
(6) Exercise Price	JPY 45 per share
(7) Allotment Method	Third-party allotment to Ichigo
(8) Restrictions on Transfer and Exercise	<p>Transfer of the warrants to a third party requires JDI board approval.</p> <p>In the Additional Capital Alliance Agreement on February 10, 2023, JDI and Ichigo agreed that Ichigo shall not transfer the warrants.</p>
(9) Exercise Period	<p>From June 1, 2023 to November 30, 2028 (or, if such day is not JDI's business day, the preceding day. The same applies below).</p> <p>In the Additional Capital Alliance Agreement on February 10, 2023, JDI and Ichigo agreed that the warrants will become exercisable in stages after June 1, 2023, per the below:</p> <ul style="list-style-type: none"> (1) From June 1, 2023 to May 31, 2028 50 warrants (total exercise amount: JPY 86,679,999,000) (2) From December 1, 2023 to November 30, 2028 50 warrants (total exercise amount: JPY 86,679,999,000)

2. JDI Total Shares Outstanding

	Common Shares	Class E Preferred Shares
Pre-New Share Issuance	1,954,165,800 shares	5,540 shares
Post-New Share Issuance	3,880,388,022 shares	5,540 shares
Change	+1,926,222,222 shares	—

3. Ichigo Voting Rights and Voting Rights Ratio

	Number of Voting Rights (Number of Shares Held)	Voting Rights Ratio
Pre-New Share Issuance	11,080,000 (1,108,000,000)	56.70%
Post-New Share Issuance	30,342,222 (3,034,222,222)	78.19%

Note 1. % of Voting Rights Pre-New Share Issuance is calculated using the number of voting rights as of September 30, 2022 plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI common shares on January 26, 2023.

2. % of Voting Rights Post-New Share Issuance is calculated using the number of voting rights as of September 30, 2022 (16,681,253) plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI common shares on January 26, 2023 (2,860,000) and the new shares (19,262,222), a total of 38,803,475, as the denominator.

II. Increase in Capital and Capital Reserve via the New Share Issuance & Capital Reduction

(JPY)

	Capital	Capital Reserve	Other Capital Surplus
Pre-New Share Issuance	100,000,000	0	35,979,921,708
New Share Issuance	+43,340,000,000	+43,340,000,000	—
Post-New Share Issuance/ Pre-Capital Reduction	43,440,000,000	43,340,000,000	35,979,921,708
Capital Reduction & Amount Transferred to Other Capital Surplus	-43,340,000,000	—	+43,340,000,000
Post-Capital Reduction	100,000,000	43,340,000,000	79,319,921,708

III. Change in Major Shareholder

1. Shareholder Overview

Name	INCJ, Ltd.
Address	1-3-1Toranomom, Minato-ku, Tokyo
Representatives	Representative Director & Chairman (CEO): Toshiyuki Shiga Representative Director & President (COO): Mikihide Katsumata
Business Description	Support for companies' specific business activities under the similar framework as the pre-revision Industrial Competitiveness Enhancement Act.
Capital	JPY 500 million

2. INCJ Voting Rights and Voting Rights Ratio Before and After the Change

	Number of Voting Rights (Number of Shares Held)	Voting Rights Ratio	Shareholder Ranking
Pre-Change	2,140,000 (214,000,000)	10.95%	2nd
Post-Change	2,140,000 (214,000,000)	5.51%	2nd

Note 1. % of Voting Rights Pre-New Share Issuance is calculated using the number of voting rights as of September 30, 2022 plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI common shares on January 26, 2023.

2. % of Voting Rights Post-New Share Issuance is calculated using the number of voting rights as of September 30, 2022 (16,681,253) plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI common shares on January 26, 2023 (2,860,000) and the new shares (19,262,222), a total of 38,803,475, as the denominator.